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Executive Board of the United Nations Development Programme, the United Nations Population Fund and the United Nations Office for Project Services

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Organizational matters

Report of the first regular session 2014 (27 to 31 January 2014, New York)

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I. Organizational matters

1. The first regular session 2014 of the Executive Board of UNDP, UNFPA and UNOPS was held at United Nations Headquarters, New York, from 27 to 31 January 2014. The President of the Board welcomed all delegations and thanked the outgoing President and Vice-Presidents for their leadership and commitment to the work of the Board in 2013. He congratulated the new members of the Bureau on their election.

2. In accordance with rule 7 of the rules of procedure of the Executive Board, the Board elected the following members of the Bureau for 2014:

President:	H.E. Mr. Peter Thomson	(Fiji)
Vice-President	Mr. Jonathan Viera	(Ecuador)
Vice-President:	Mr. Boyan Belev	(Bulgaria)
Vice-President:	Mr. Vincent Herlihy	(Ireland)
Vice-President:	H.E. Mr. Tuvako Nathaniel Manongi	(United Republic of Tanzania)

3. The Executive Board approved the agenda and workplan for its first regular session 2014 (DP/2014/L.1), and approved the report of the second regular session 2013 (DP/2014/1 and Corr.1). The Board adopted the annual workplan for 2014 (DP/2014/CRP.1) and approved the tentative workplan for the annual session 2014.

4. Decisions adopted by the Executive Board in 2013 appeared in document DP/2014/2, which was available on the Executive Board website.

5. The Executive Board agreed in decision 2014/9 to the following schedule for future sessions of the Executive Board in 2014:

Annual session 2014	23 to 27 June 2014 (Geneva)
Second regular session 2014:	2 to 5 September 2014

UNDP segment

II. Statement by the Administrator and gender in UNDP

6. In her opening remarks to the Executive Board (available on the Executive Board website), the Administrator thanked the outgoing President and Vice-Presidents for their commitment and support throughout 2013 and congratulated the newly elected President and Vice-Presidents for 2014. The session was webcast live and, in a short film, the Administrator highlighted development successes from different regions thanks to demand-driven, nationally owned UNDP development cooperation initiatives.

7. Looking ahead, the Administrator highlighted that 2014 was a critical year for the organization, as it began implementing its new strategic plan, 2014-2017 – the bedrock of its efforts to make UNDP a more focused, results-driven, effective and efficient organization. She pointed to steps taken to embed the plan in all areas of UNDP work, including in the new global, regional and country programmes.

8. She underscored that a central element of the organization's efforts to be more focused, results-driven, effective and efficient, was the structural review process UNDP was undertaking at headquarters and the regional service centres. The overarching aim of the structural change

was to make UNDP fit for purpose, so that it could deliver on the strategic plan, 2014-2017, and make best use of the resources entrusted to it.

9. The Administrator spoke of UNDP work in support of the post-2015 development agenda process, where it was contributing its expertise in development thinking and practice, and bringing in the perspectives of the world's peoples to the debate, via initiatives such as global consultations on the post-2015 agenda and the My World survey. She also highlighted the importance of progress in United Nations Framework Convention on Climate Change negotiations, and emphasized that UNDP was giving its full support to the Secretary-General's climate change summit in September 2014.

10. The Administrator took the opportunity to update Board members on the UNDP role in responding to and assisting populations impacted by crises in South Sudan, Central African Republic and Syria, as well as Typhoon Yolanda in the Philippines. She highlighted the UNDP commitment to support countries' efforts in peace-building, early recovery, resilience-building and mobilizing capacity where needed, while emphasizing the importance of taking necessary measures to protect UNDP staff against heightened security risks.

11. In conclusion, she highlighted the importance UNDP gave to promoting transparency and accountability, reflected in: its top public disclosure ranking among multilateral organizations for its commitment to transparency, by the non-governmental organization Publish What You Fund; its first and successful year implementing International Public Sector Accounting Standards (IPSAS); and its unqualified audit opinion for 2012. On United Nations reform, she reiterated the organization's strong commitment, and pointed to recent achievements: the launch of the new Delivering-as-One standard operating procedures, the creation of the Delivering Results Together Fund, and system-wide cost-sharing of the resident coordinator system.

12. Board members agreed that 2014 was critical for UNDP, as it began implementing its new strategic plan, 2014-2017, and engaged in support to steer post-2015 agenda discussions. They were pleased that the new strategic plan was aligned with the principles and substance of the quadrennial comprehensive policy review of operational activities for development, laid out in General Assembly resolution 67/226, and urged UNDP to adhere to its overarching priorities of poverty eradication and inclusive growth, as stated in the strategic plan, 2014-2017.

13. Delegations underlined the importance of transparency and accountability, and the need to implement the strategic plan with the full agreement of programme countries and in line with the principle of national ownership, guided by nationally defined priorities. They wished to be kept abreast of the structural change process to ensure it fulfilled its purpose of enhancing UNDP delivery and making it more efficient and effective.

14. Highlighting their ongoing concern over the imbalance between regular (core) and other (non-core) resources, Board members stressed the importance of defining and implementing the concept of 'critical mass of resources', noted in the quadrennial review, which they stated was key to the success of the strategic plan.

15. Board members touched on the main agenda items up for discussion, addressed more fully below, including: the gender equality strategy, 2014-2017; the global and regional programmes; the initiative to harmonize agency country programmes and simplify their approval process; the UNDP unqualified audit opinion for the third consecutive year; the work of the UNDP Evaluation Office; and UNDP promotion of South-South cooperation and its stewardship of the United Nations Office for South-South Cooperation.

16. The Board was pleased to see gender mainstreamed in UNDP activities, and many stressed the link between gender equality and women's empowerment and poverty eradication and inclusivity. Board members encouraged UNDP to continue to advocate for gender equality and women's empowerment to receive due attention in the post-2015 development agenda, and stressed the importance of mainstreaming South-South cooperation in post-2015 discussions.

17. In response, the Administrator assured the Board that UNDP would continue to keep it informed of progress on all fronts, including the structural review. UNDP would continue to support the post-2015 development agenda process, and bring on board the views of peoples the world over. UNDP was already engaged in meaningful partnerships with both the public and private sectors and within the United Nations system, through the Global Compact and the United Nations Development Group (UNDG), while focusing on accelerating progress on the Millennium Development Goals (MDGs) before the 2015 deadline.

18. The Administrator emphasized that poverty eradication and inclusive development remained the organization's overarching priorities, focusing on inequality of vulnerable groups, women and girls, children, and the disabled, in both development and crisis situations. UNDP was fully committed to gender equality and women's empowerment, as evidenced in the new gender equality strategy, 2014-2017. Similarly, UNDP was a strong supporter of South-South cooperation, through its hosting of the United Nations Office for South-South Cooperation and its own operational work to promote South-South and triangular initiatives and share successes. In response to concerns raised by the small island developing states, she assured them of UNDP commitment to support them in tackling their specific development needs.

19. On United Nations reform, the Administrator highlighted the UNDP commitment to implementing the quadrennial review resolution 67/226. UNDG members and the United Nations Department for Economic and Social Affairs had developed a monitoring framework to help track progress, which ensured a comprehensive, evidence-based, streamlined approach. On critical mass, UNDP would engage with Member States to come to a full understanding of what regional groups wanted, and to chart the way forward. On security, the organization did need to access the proposed $30 million in additional funding to address rapidly changing security needs, and would inform the Board of the use of that fund during midterm budget reviews.

Gender in UNDP

20. The Director, ad interim, Bureau for Development Policy, UNDP, introduced the report of the Administrator on the implementation of the UNDP gender equality strategy in 2013 (DP/2014/3) and the UNDP gender equality strategy, 2014-2017 (DP/2014/4 and annexes).

21. Board members welcomed the report of the Administrator and the gender equality strategy, 2014-2017. They appreciated the strategy's results-based grounding and alignment and entry points with the UNDP strategic plan, 2014-2017. They were pleased to see lessons learned from the previous strategy reflected in the new strategy. They emphasized the link between gender equality and women's empowerment, and poverty eradication and inclusive development. They were pleased to see and stressed the importance of gender mainstreaming in all UNDP activities, and appreciated UNDP leading of United Nations system-wide efforts to ensure gender equality featured prominently in post-2015 discussions.

22. On the previous gender equality strategy, 2010-2013, delegations commended UNDP for achievements in its four focus areas, noting that the organization was well placed to promote national capacity and policies for gender equality. They viewed the focus on women's political participation and involvement in post-conflict recovery as a positive development.

23. Delegations viewed the Gender Steering and Implementation Committee as a good oversight mechanism for the gender equality strategy. Delegations were pleased that UNDP and UNICEF had developed the gender marker guidance note, and encouraged to learn that 32 country offices had applied for the Gender Equality Seal. They looked forward to the outcome of the gender equality certification process, and encouraged UNDP to empower staff to conduct gender analyses and gender impact in programming.

24. On the new strategy, the Board fully supported the continuation of gender mainstreaming efforts through the Gender Steering and Implementation Committee, and use of the gender marker and Gender Equality Seal. There was general approval for the proposal to allocate 15 per cent of resources to gender equality and women's empowerment, including at least 15 per cent in peacebuilding. Members stressed the need to build capacity at country level, and expressed approval for the plan to establish gender advisors (a total of 70) in country offices of a certain size, with shared regional expertise in smaller offices. Some delegations indicated the need to ensure that resource allocation at country level was done on the basis of the United Nations Development Assistance Framework in consultation with the programme country.

25. Delegations welcomed the proposal to set up a separate Trust Fund for Gender Equality, focused on joint programmes, but some questioned its usefulness, which seemed to run counter to gender mainstreaming and could lead to fragmentation of funding. They requested information on that proposal, and encouraged UNDP to strengthen monitoring of gender-related expenditures to ensure sufficient resources from core and earmarked funding.

26. A number of delegations requested information on how UNDP intended to track and assess progress over the four-year cycle, and stressed the importance of reflecting lessons learned from evaluations. A few delegations stated that reporting on the strategy be done against a strong set of indicators aligned with those in the strategic plan, 2014-2017. They suggested that reporting take place in tandem with the Administrator's annual report at the annual session, to ensure alignment.

27. The Board was keen to learn more about UNDP efforts to comply with the requirements of the United Nations System-wide Action Plan (SWAP) on Gender Equality and the Empowerment of Women. There was a request for information on the SWAP baseline assessment conducted in 2013. Delegations stressed the important UNDP role, as UNDG chair, in promoting gender equality and women's empowerment and ensuring a clear division of labour throughout the United Nations system, in line with the quadrennial review. They were pleased with the organization's collaboration with the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), the World Bank and the European Union.

28. Delegations stressed the importance of political leadership in promoting gender equality and women's empowerment and in behavioural change efforts, and requested information on what UNDP was doing to strengthen leadership on gender. Some concern was expressed over gender parity gaps in middle management; the Board requested information on steps the organization was taking to address that issue.

29. In response, the Director, ad interim, Bureau for Development Policy, UNDP, noted that, while gender equality goals were ambitious, UNDP needed to lead by example. First and foremost, the organization would provide better, more frequent reporting, grounded in the principles of transparency and accountability. That included a final independent end-of-cycle evaluation. Achieving the goals required close partnerships with and strong political will by programme country governments. On SWAP compliance, UNDP had met all requirements and was ranked beyond the United Nations system average. There was nevertheless always room for improvement. Acknowledging the gender parity gap in UNDP in junior professional positions

and middle management, he stressed that UNDP compensated in top management. To address the gap, the organization was focusing on: (a) coaching; (b) accelerated promotion; (c) recruitment preference; and (d) talent management. UNDP concurred that gender parity was at the heart of its development work for two reasons: gender parity had proven to be an effective strategy against poverty and inequality; and it represented the values of the United Nations.

30. The Executive Board adopted decision 2014/1: UNDP gender equality strategy, 2014-2017.

III. Country programmes and related matters

UNDP regional programmes

31. The officer-in-charge, Regional Bureau for Africa, UNDP, presented the regional programme document for Africa, 2014-2017, (DP/RPD/RBA/2). The Director, Regional Bureau for Asia and the Pacific, UNDP, presented the regional programme document for Asia and the Pacific, 2014-2017, (DP/RPD/RAP/2 and Rev.1). The Director, Regional Bureau for Arab States, UNDP, presented the regional programme document for Arab States, 2014-2017, (DP/RPD/RAS/3). The Director, Regional Bureau for Europe and the Commonwealth of Independent States, UNDP, presented the regional programme document for Europe and the Commonwealth of Independent States, 2014-2017, (DP/RPD/REC/3). The Deputy Director, Regional Bureau for Latin America and the Caribbean, UNDP, presented the regional programme document for Latin America and the Caribbean, 2014-2017, (DP/RPD/RLA/2).

32. In overall comments, Board members expressed satisfaction with the consultative, transparent process followed in developing the regional programmes in each region, and were pleased to note that the regional programmes were aligned with the both the UNDP strategic plan, 2014-2014, and the global programme (DP/GP/3), and most importantly with the regionally established priorities of the region's countries.

33. Delegations stressed the importance of results-based management and achieving results, as specified in the new strategic plan, 2014-2017, and the need to strengthen the results culture. They urged UNDP to focus in all results areas on the two main objectives of the strategic plan: poverty eradication and inclusive development, as well as on accelerating MDG achievement, especially in Africa. Recognizing results may overlap with other United Nations organizations, they encouraged UNDP to engage in close interagency collaboration to avoid duplication, and to strengthen coordination, focusing on comparative advantages.

34. Board members drew attention to issues of inequality, volatile growth, and the multi-dimensional nature of poverty, especially in conflict and disaster stricken countries, and the need for capacity building and provision of expertise. They were pleased with the priority focus on vulnerable and excluded groups, especially the disabled, women and youth, and urged that attention to those groups be mainstreamed in all results areas and in the results and resources frameworks of each regional programme.

35. Delegations encouraged greater focus on promoting and building South-South and triangular cooperation tools and mechanisms at the regional/cross-border level, especially the transfer of technical knowledge on development solutions based on innovative approaches and partnerships, including with the private sector. They noted that the lessons learned and experience from the regional programmes and global programme, 2014-2017, would benefit and should feed into the post-2015 development agenda. Board members raised the issue of the regular (core) and other (non-core) resources imbalance, and expressed concern over its potential impact on UNDP physical presence, especially in the small island developing states.

36. In response, the regional directors assured Board members of their strong commitment to working with them in implementing the regional programmes and in responding to the needs of programme countries from a regional perspective. They reiterated that South-South and triangular cooperation remained a priority means of intervention for the regional programmes, and a linchpin for all their work at the regional and cross-border level. They noted that, in line with the UNDP strategic plan, 2014-2017, the regional programmes were grounded in the overarching priorities of poverty eradication and inclusive growth, taking into account the multi-dimensional nature of poverty, and built on the organization's comparative advantages and results-based management. It was acknowledged that the core/non-core imbalance was a reality and that UNDP would need to use core resources to leverage additional funding. They assured the Board that UNDP, with the aim of strengthening its regional presence, was committed to maintaining its strategic programme presence in all countries, despite the imbalance, and to assisting both least developed and middle-income countries. They assured delegations that UNDP was fully engaged with other United Nations organizations at the regional level.

37. The Executive Board adopted decision 2014/3: UNDP regional programme documents for Africa, Asia and the Pacific, Arab States, Europe and the Commonwealth of Independent States, and Latin America and the Caribbean, 2014-2017.

UNDP global programme

38. The Director, ad interim, Bureau for Development Policy, UNDP, presented the UNDP global programme, 2014-2017, (DP/GP/3, Corr.1 and annex).

39. Board members noted that the global programme was a key tool for UNDP as a knowledge organization, and appreciated the holistic approach followed, encompassing all work areas to ensure relevance and comparative advantages. They welcomed the five priority areas, which benefitted from a global perspective and were drawn from the UNDP strategic plan, 2014-2017. They commended UNDP for identifying specific areas where it had a comparative advantage, for example, in resilience building and driving the quadrennial review forward.

40. Delegations were pleased to note that the global programme addressed the recommendations laid out in the evaluation of the previous global programme, 2010-2013. They stressed that the global programme's success depended on top-notch policy advice at headquarters and adequate funding, and they sought details on what UNDP was doing to ensure it had the capacity to deliver.

41. Board members expressed appreciation that the results and resources framework focused on select outputs from the strategic plan, 2014-2017. However, delegations expressed reservations about the issuance of the corrigendum to the global programme report, which added a new result area that they felt veered from UNDP areas of expertise laid out in the strategic plan, 2014-2017. They noted the continuing challenges to monitoring, evaluation and reporting, and the need to enhance the results and resources framework and its indicators. They recommended improving the global programme's results and resources framework in parallel with the completion of the results and resources framework of the strategic plan, 2014-2017.

42. Delegations recognized UNDP efforts to align the new regional programmes and the global programme, 2014-2017. They requested clarification on the global programme's overall architecture, and assumed that the planned UNDP corporate strategy would address that issue. They reiterated the importance of evidenced-based data in ensuring the success of the global programme, and in building the post-2015 development agenda. They emphasized the need to ensure inclusion of vulnerable populations, the disabled, refugees, women and girls, as drivers

of development, and, underlining the UNDP role as leader of United Nations system coordination, encouraged UNDP to continue to pursue and build partnerships within the context of the global programme.

43. In response, the Director, ad interim, Bureau for Development Policy, UNDP, noted that the global programme focused on UNDP comparative advantages, and concentrated on quality results for strategic issues where it could make a difference. The global programme's work was grounded in analyses and research coming out of UNDP global policy centres, such as the Oslo Governance Centre, Singapore Centre for Public Service Excellence, Seoul Policy Centre, Rio+20 Sustainable Development Centre, Istanbul International Centre for Private Sector in Development and Nairobi Drylands Development Centre. He noted that UNDP was mainstreaming resilience building and crisis prevention and recover, which would remain central pillars of its work. UNDP was committed to leading and collaborating with United Nations system organizations in all areas. He acknowledged the need for greater detail in the programme's budget and evaluation, and affirmed that UNDP would focus on refining them. On the corrigendum, he noted that UNDP had followed due process and issued the corrigendum in good faith in order to reflect ideas, especially on poverty eradication, shared by all. He touched on the impact of pursuing a poverty eradication focus in the global programme.

44. The Executive Board adopted decision 2014/2: UNDP global programme, 2014-2017.

Country programme approval process

45. The Director, Operations Support Group, UNDP, presented the report: modification to the procedures for consideration and approval of UNDP country programme documentation (DP/2014/8).

46. Board members appreciated the initiative to harmonize the relevant organizations' country programme documents (CPD) and simplify their approval process. They commended the organizations for pursuing the simplification and harmonization of programming instruments in an effort to improve country programme cooperation, in line the quadrennial review.

47. In the spirit of coherence, however, the Board would have preferred to see a joint proposal taken up during the agenda's joint segment. Stressing the need for Board consultations in a timely manner, they noted that, with the completion of the Delivering-as-One pilot period, the Board could not address approval of joint country programmes on an ad hoc basis, and would have preferred the report address that issue and propose a solution. Similarly, while recognizing CPD coordination took place at the country level, they stressed that the Board had to be fully involved in the joint process, and its role more clearly defined.

48. In reviewing the proposed country programme format and content, Board members suggested the following elements, underscoring the need to change the CPD format to facilitate the approval process: (a) an indicative budget, specifying how core and non-core resources would be used; (b) an integrated results and resources framework; (c) information on how results and resources frameworks were related to that in the UNDAF and national priorities; and (d) a costed monitoring and evaluation plan.

49. In addition, delegations emphasized that, given the move toward harmonization, resident coordinators and United Nations country teams had to be more engaged in the CPD development and approval process, and suggested using joint work plans and building on lessons and experiences of Delivering-as-One countries. On CPD accountability, the Board stressed the importance of establishing a clear accountability chain (from senior management to programme officers), which should be used for staff performance appraisals. They highlighted

the importance of aligning the country programme documents with the organizations' strategic plans, national priorities and principles of the quadrennial review.

50. In response, the Director, Operations Support Group, UNDP, highlighted concerted inter-agency efforts, through discussions on standard operating procedures, which drove the drafting of the report. The first set of CPDs coming to the Board at its annual session in June 2014 would already reflect its proposed modifications, which were grounded in Delivering-as-One lessons and experience, and built on the standard operating procedures. The UNDP CPD template had already addressed some specific Board requests, including a results and resources framework with indicative budget figures and fully costed evaluation plan. The CPD results were lifted directly from country level UNDAFs and aligned with the new UNDP strategic plan, 2014-2017. She assured the Board that CPD consultations began early at the country level with all national stakeholders, and continued at headquarters, a process through which the Board had ample opportunity to comment.

51. The Executive Board adopted decision 2014/7: modifications to procedures for considering and approving UNDP and UNFPA country programme documentation.

52. Pursuant to decision 2006/36, the following two country programmes, discussed earlier at the second regular session 2013, were approved by the Executive Board on a no-objection basis, without presentation or discussion: Namibia from the East and Southern Africa region; and Mexico from the Latin America and the Caribbean region.

IV. South-South cooperation

53. The Associate Administrator, UNDP, introduced the item. The Director, United Nations Office for South-South Cooperation, presented the strategic framework of the United Nations Office for South-South Cooperation, 2014-2017, (DP/CF/SSC/5).

54. Board members expressed strong appreciation for the leadership and partnership building work of the Office for South-South Cooperation, thanks to which South-South and triangular cooperation had widespread attention throughout the United Nations system. Delegations fully supported the office's strategic framework, 2014-2017, and were pleased with its focus on: (a) helping Member States take informed decisions on South-South and triangular cooperation; (b) strengthening South-South cooperation within the United Nations system; and (c) assisting partners in developing South-South cooperation policies, plans and partnerships.

55. Delegations were pleased to note that the strategic framework, 2014-2017, took into account the concerns of Member States, including their emphasis on the principles of the Buenos Aires Plan of Action and Nairobi outcome document. They expressed satisfaction that the Office for South-South Cooperation and UNDP had collaborated in defining a clear division of labour, reflected in the UNDP strategic plan, 2014-2017, and the strategic framework of the Office for South-South Cooperation, 2014-2017. They stressed that UNDP should not seek to replicate or duplicate the work of the office, but, in its own South-South cooperation work, focus on its comparative advantages through its global, regional and country programmes.

56. Board members were pleased to note that the Office for South-South Cooperation had established an inter-agency outcome board to support United Nations system work on South-South and triangular cooperation. On a related topic, they encouraged UNDP regional programme boards to invite the office to participate in its regularly scheduled meetings and discussions. They thanked UNDP for giving the Office for South-South Cooperation policy space and financial support, and stressed the importance of adequate funding to sustain its work.

They encouraged Member States, in a position to do so, to contribute to the United Nations Fund for South-South Cooperation.

57. Delegations were keen to see that the Office for South-South Cooperation was playing an active role in ensuring that South-South and triangular cooperation figured prominently in the post-2015 development agenda, and urged the office to lead the development of new coordination approaches to promote South-South and triangular initiatives throughout the United Nations system, in partnership with United Nations organizations and through the United Nations Development Group. Delegations emphasized that understanding and promoting South-South cooperation comparative advantages were key to its overall success and the best strategy for mainstreaming South-South cooperation in all areas of United Nations system work.

58. The Associate Administrator, UNDP, assured Board members that UNDP was fully cognizant of its stewardship role of the Office for South-South Cooperation and worked closely with the office to ensure its independence and clear division of labour, so that UNDP activities did not duplicate or overlap with those mandated for the Office for South-South Cooperation. UNDP stood ready to continue to fully support the office in fulfilling its mandate. She thanked Board members for recognizing UNDP work to mainstream South-South cooperation in its global and regional programmes and its strategic plan, 2014-2017. She noted that UNDP would build on positive models for including the Office for South-South Cooperation in its South-South related committees.

59. The Director, United Nations Office for South-South Cooperation, thanked the Board for its unwavering support, and expressed appreciation to UNDP for its ongoing stewardship of the office, especially its financial support and respect for its policy space. He noted that broad UNDP country presence had allowed the office to fully engage with partners at country level, where it could have the greatest influence to: (a) service Member States' needs; (b) improve system-wide coherence support for South-South initiatives; and (c) support South-South global alliances. He assured the Board that, in developing the strategic framework, the office: (a) built on its General Assembly mandate; (b) sought to respond to country-defined priorities, work through multi-agency approaches, and add real value, without duplication or overlap; and (c) grounded its work in a robust results and resource framework focused on monitoring and reporting, including to the Board. He stressed, in conclusion, that the Office was fully aware of its mandate and fully committed to meeting the demands of Member States and the Board.

60. The Executive Board took note of and approved the strategic framework of the United Nations Office for South-South Cooperation, 2014-2017.

V. Evaluation

61. The Associate Administrator, UNDP, introduced the item, and the Director, Evaluation Office, UNDP, presented the midterm evaluation plan, 2014-2017 (DP/2014/5).

62. Board members recognized the Evaluation office as a leader and pacesetter in driving the UNDP evaluation function and strengthening the impact of evaluation on UNDP programme, operations and accountability. They commended UNDP and Evaluation Office leadership, noting that the midterm evaluation plan was a useful tool to determine the UNDP contribution in its areas of work, and encouraged the Evaluation Office to continue to seek and adopt cutting-edge evaluation methods. Delegations looked forward to the implications of the review of the UNDP evaluation policy and the peer review on improving the evaluation capacity, especially for efficiency and cost effectiveness, and they commended the organization for establishing the Evaluation Advisory Panel.

63. Delegations supported efforts to look closely at the impact of UNDP work in crisis and governance; to prioritize joint evaluations when synergies were evident; to indicate the level of absorptive capacity of evaluation findings; and to use evaluation findings for enhanced decision-making. They welcomed Evaluation Office plans to assess evaluations of development results, and encouraged the Evaluation Office to work with UNDP management to refine the management results chain for better accountability. Delegations endorsed the proposal to change the name of Evaluation Office to Independent Evaluation Office.

64. The Associate Administrator, UNDP, stressed that UNDP was keenly focused on the evaluation principles of accountability, learning and knowledge building, feeding them into decision making and generating better results. She noted the importance of building capacity for decentralized evaluations, which was linked to national capacity building. She welcomed delegations' emphasis on joint evaluations, which should be an integral element of joint programmes. She concurred that UNDP ability to absorb evaluation lessons was key to better learning, programming and delivery. In conclusion, she noted that the mid-term evaluation plan would align with the indicators and targets laid out in the UNDP strategic plan, 2014-2017.

65. The Director, Evaluation Office, UNDP, assured Board members that the office would consult further with them in refining the plan, and would present a costed programme of work at the annual session 2014. The office was very pleased with the high rate of uptake of the evaluation recommendations and their absorption into UNDP global and regional programmes, as well as the strategic plan, 2014-2017, which facilitated future efforts to measure progress. The office would work closely with UNDP management to align the indicators and targets of the strategic plan, 2014-2017, and noted the importance of nailing down a common evaluation language throughout UNDP on indicator and performance standards. The work of the Evaluation Advisory Panel and other reviews would add to those alignment efforts. He noted that the Evaluation Office was stepping up its partnership with the United Nations Evaluation Group.

66. The Executive Board adopted decision 2014/4 on the: (a) change of name of the Evaluation Office to the Independent Evaluation Office; and (b) medium-term evaluation plan.

IX. Financial, budgetary and administrative matters

67. The Director, Bureau of Management, UNDP, presented the response to the Executive Board on decision 2013/28 on additional resources for security measures (DP/2014/6).

68. Board members made no comments in response to the UNDP presentation.

69. The Executive Board took note of the response to the Executive Board on decision 2013/28 on additional resources for security measures.

X. United Nations Capital Development Fund

70. The Associate Administrator, UNDP, introduced the item, and the Executive Secretary, United Nations Capital Development Fund (UNCDF), presented the UNCDF strategic framework, 2014-2017.

71. Board members welcomed UNCDF work and the Executive Secretary's leadership, and were pleased with the scope and direction of the strategic framework, 2014-2017. They were satisfied to see that the UNCDF strategic framework, 2014-2017, was aligned with the UNDP strategic plan, 2014-2017, and commended UNCDF for the consultative process conducted in developing the new framework.

72. Delegations remained positive about key UNCDF work in financing for development and assistance to least developed countries (LDCs), in particular to vulnerable groups, through micro-finance and micro-credit schemes and other financial tools. They were pleased with related UNCDF work in decentralization and local development.

73. Board members expressed appreciation for UNCDF risk taking, and with the fund's efforts to seek out and engage in innovative financing products and create an investment fund. They cautioned, however, that UNCDF should ensure it followed clear rules of engagement. They encouraged the fund to continue to seek and build innovative partnerships with the private sector and philanthropic organizations.

74. Delegations expressed concern over the continued shortage of core resources, and urged Member States, in a position to do so, to increase contributions so that UNCDF could reach its minimum core resource threshold of $25 million necessary to support 40 LDCs. They encouraged UNCDF to make every effort to mobilize additional resources, including from the private sector. They stressed the importance of the fund's financial health for LDCs, where UNCDF work was crucial and had shown signs of sustainable impact. Delegations stressed that a strong core resource base would allow the fund to maintain its physical presence in the 40 LDCs where it had a presence, while noting that its ultimate goal was to be present in all 49 LDCs to help them achieve graduation.

75. The Executive Secretary, UNCDF, assured Board members that the fund was fully committed to working with them and achieving greater coherence with UNDP. He noted delegations' call for UNCDF work to be guided by the overarching principles of the UNDP strategic plan, 2014-2017: poverty eradication and inclusive development, with special attention to the most vulnerable. The ultimate goal for UNCDF was to be present in all LDCs, including crisis countries, to ensure maximum impact. He thanked delegations that had already made contributions to the fund's core resources, and noted that UNCDF continued to seek out and engage in partnerships inside and outside the United Nations, especially in areas of micro-finance, remittances, micro-insurance. He noted delegations' encouragement that UNCDF continue to be innovative and take risks, while remaining cautious, keeping the Board abreast of developments. He highlighted that UNCDF was active in post-2015 development discussions, and member of the post-2015 task team on financing for development.

76. The Executive Board took note of the UNCDF strategic framework, 204-2017, and the preliminary results for 2013.

UNFPA segment

VI. Statement by the Executive Director and evaluation

77. In his statement to the Executive Board (available on the UNFPA Executive Board website), the Executive Director, UNFPA, thanked the outgoing President and Vice-Presidents for their commitment, leadership and guidance throughout 2013 in helping UNFPA become more focused, results driven and accountable. He congratulated the newly elected President and Vice-Presidents for 2014, a landmark year for human rights, population and development, during which UNFPA engagement with the Board would be especially vital.

78. Turning to topics at hand, the Executive Director noted that the Board-approved strategic plan, 2014-2017, and its integrated budget, positioned UNFPA to respond effectively to challenges ahead, especially accelerating progress on Millennium Development Goal (MDG) 5

on maternal health and mortality before the 2015 deadline. The International Conference on Population and Development (ICPD) beyond-2014 review process had shown that the Cairo Programme of Action remained paramount in 2014, and was helping to create a new framework for population and development beyond 2014 that would feed into the post-2105 development agenda. He highlighted the major accomplishments since 1994, and, noting the review's final global report would be available early 2014, pointed to the two most important messages to take away: that inequality in all its forms was growing and that the United Nations had to continue to fight for human rights, championing the human rights based approach.

79. The Executive Director underscored that inequality affected the poorest and marginalized the worst. UNFPA, in line with its strategic plan, 2014-2017, and integrated budget, focused on tackling inequality and human rights in the following areas: (a) gender equality and women's empowerment, including gender-based violence and discrimination; (b) women and girls' health, especially maternal health and mortality (MDG 5), sexual and reproductive health and reproductive rights, and HIV prevention; (c) adolescents and youth, including comprehensive sexuality education, access to sexual and reproductive health services, and family planning; (d) urbanization and migration; and (e) governance and accountability, especially fostering free, inclusive, transparent participation of population groups in decision-making. He emphasized UNFPA focus on poverty and exclusion, especially most vulnerable populations.

80. He noted that the Fund's focus areas clearly sat at the heart of the ICPD Programme of Action. In 2014, UNFPA, in collaboration with the United Nations system and Member States, would work to ensure that ICPD principles were a central focus of the post-2015 development framework. He stressed the importance of Member States working together on global processes, such as the Commission on Population and Development and the General Assembly special session, and in ironing out human rights related disagreements.

81. The Executive Director highlighted UNFPA corporate priorities in 2014, which included the roll out of the new strategic plan and integrated budget; improving results-based management and monitoring and evaluation; assessing the Fund's financial architecture to ensure alignment with the strategic plan; and expanding resource mobilization through new partnerships with emerging donors and the private sector. He expressed deep appreciation for the unwavering donor support for UNFPA, and stressed that a strong core resource base was key to meeting the challenges ahead and fulfilling the ICPD mandate.

82. He also touched on UNFPA work in emergencies and crisis situations in mainstreaming gender-related programming into recovery and reconstruction efforts, notably in Syria, the Philippines and Central African Republic in 2014. He reiterated UNFPA commitment to system-wide coherence, and fulfilling its quadrennial review mandate. UNFPA had been fully engaged with the United Nations Development Group (UNDG) in developing the quadrennial review plan of action. On interagency collaboration, he drew attention to the successful UNFPA joint programme with UNICEF on female genital mutilation/cutting. He stressed the indivisibility of human rights, gender equality and sustainable human development, and appealed to the Board to work with the Fund to complete the journey begun in Cairo in 1994.

83. Board members thanked the Executive Director for his leadership throughout the transitional period, and underscored the importance of the Fund's work, especially at regional and country levels in driving the ICPD agenda. They concurred that 2014 was critical for UNFPA, given the new strategic plan and integrated budget roll out. They were keen to see UNFPA engaged in the ICPD beyond-2014 review, to ensure that the principles of the Cairo Programme of Action featured prominently in the post-2015 development agenda. They looked forward to reading the ICPD review report, and to participating in the General Assembly special session in September 2014. Delegations from the Latin America and Caribbean region drew

attention to the importance of the Montevideo Consensus on Population and Development as a regional driver for the ICPD agenda. Another delegation cautioned against efforts to intensify ICDP intergovernmental discussions on problematic issues, especially in regional conferences.

84. Board members commended UNFPA for its work at the global, regional and country levels, and underscored its work on gender equality and women's empowerment, and sexual and reproductive health and reproductive rights – many had been lifted out of poverty, and women had had greater access to public health programmes, as results of the Fund's reproductive rights perspective. Despite progress, delegations expressed concern that gender inequality lingered along with social and economic exclusion of vulnerable groups, and that MDG 5 on maternal health and mortality would not be reached by the 2015 deadline. They urged UNFPA to make every effort to drive MDG 5 acceleration, and ensure that the post-2105 agenda fully incorporated ICPD principles and mainstreamed gender equality and women's empowerment.

85. Delegations encouraged UNFPA to continue to promote a human rights based approach, focusing on inclusivity and most vulnerable populations. They urged UNFPA to continue to tackle issues of persistent discrimination and foster protection of human rights, while remaining sensitive to cultural and religious perspectives. They appreciated UNFPA focus on differentiated health services for youth and adolescents, especially in family planning, comprehensive sexual education and HIV prevention. They stressed the importance of UNFPA work on equality and inclusive development in middle-income countries, which continued to suffer from entrenched poverty. Some delegations strongly supported the principle of universality of operational activities, and were keen to resolve financial bottlenecks impeding UNFPA presence in certain countries. Delegations were pleased with UNFPA work in data analysis capacity building and its focus on evidence-based programming, and supported efforts to strengthen its evaluation function through a new UNFPA Evaluation Office.

86. Board members commended UNFPA for its work in emergency and humanitarian settings, especially in mainstreaming gender issues in recovery and reconstruction, and encouraged it to work closely with the Office for the Coordination of Humanitarian Affairs. They urged UNFPA, in collaboration with the United Nations system, to prioritize and improve its capacity for rapid response in crisis situations.

87. In response, the Executive Director drew attention to two important levels of UNFPA engagement that Board members highlighted: *political*, ensuring ICPD was at the centre of post-2015 discussions, and *rights*, guaranteeing the rights of people, indivisibility of human rights and a person's capacity to define her rights. He noted delegations' emphasis on maternal mortality and universal access to family planning and contraception, especially for youth. On operations, he noted Board members' emphasis on transparency, rolling out the new strategic plan and integrated budget, and focusing on results with credibility. He thanked delegations for supporting UNFPA humanitarian work, especially on gender-based violence. He drew attention to the Fund's key role in providing access to basic services in disaster stricken regions. The Executive Director looked forward to working with Board members in 2014, and assured them that women and girls sat at the very heart of the Fund's development mandate.

Evaluation

88. The Director, Evaluation Office, UNFPA, presented the UNFPA transitional biennial budgeted evaluation plan, 2014-2015, (DP/FPA/2014/2) and the joint UNFPA-United Nations Children's Fund (UNICEF) evaluation of the joint programme on female genital mutilation/cutting, 2008-2012. The Deputy Executive Director (Programme), UNFPA, in turn presented the management response to the joint UNFPA-UNICEF evaluation of the joint programme on female genital mutilation/cutting, 2008-2012. In her statement, the Deputy

Executive Director (Programme), UNFPA, welcomed the new Director of the recently established UNFPA Evaluation Office and congratulated her on her appointment.

89. Board members were pleased with the establishment of the UNFPA Evaluation Office and the good quality of the transitional biennial budgeted evaluation plan, 2014-2015, developed by the UNFPA Evaluation Office, which had been undertaken with transparency and a broad, effective consultative process. They congratulated the newly appointed director, looked forward to working with her and the office, and requested regular updates on its work.

90. Delegations stressed the crucial importance of evaluation for knowledge building and sharing, quality assurance, evidence-based decision-making, and accountability. They commended UNFPA for the progress it had made in building a stronger evaluation function, and encouraged the Fund to take further steps to strengthen it, and to grow evaluation culture throughout the organization. They understood that the revised evaluation policy would entail organizational changes demanding time, resources and planning, and that the Fund would need to balance the delivery of evaluations with capacity development and training, in order to professionalize the evaluation function.

91. On the transitional biennial budgeted evaluation plan, 2014-2015, delegations underscored the importance of managing and monitoring the plan, and appreciated its alignment with the new strategic plan, 2014-2017 and the integrated budget, as well as with United Nations Evaluation Group (UNEG) evaluation norms and standards. They stressed the importance of feeding planned evaluations into the mid-term review of the strategic plan, 2014-2017, and sought clarification on how UNFPA intended to fund evaluations. Board members requested information on criteria used in selecting evaluation themes, and stressed the importance of explicit guidance on choosing and conducting evaluations. They underlined the importance of addressing human rights and gender equality in UNFPA evaluations. They found corporate-level evaluations relevant and their scope adequate, but highlighted potential overlap between the family planning evaluation, included in the evaluation plan, 2014-2015, and the mid-term evaluation of the Global Programme to Enhance Reproductive Health Commodity Security proposed for 2016. They drew attention to the use of impact evaluations, and stressed their potential importance for learning.

92. Delegations appreciated the plan's inclusion of the approach to enhance quality of programme-level evaluations, which should help to strengthen the evaluation function at regional and country levels. They commended UNFPA for including United Nations Development Assistance Framework and Delivering-as-One evaluations in the new plan as well, encouraging the Fund to pursue its work in that area.

93. With regard to the joint UNFPA-UNICEF evaluation of the joint programme on female genital mutilation/cutting (FGM/C), 2008-2012, and the management response, Board members commended the two organizations on the joint work in undertaking the joint programme and conducting the joint evaluation. They expressed strong support for UNFPA and UNICEF work on FGM/C, and wished to see FGM/C mainstreamed in all relevant country and regional programmes. They stressed the importance of ensuring financial sustainability of joint programmes, and urged UNFPA to investigate the possibility of multi-year funding arrangements. They were keen to see more joint programmes and joint evaluations in future.

94. Delegations were pleased that the joint programme had been successful in strengthening national capacity and ensuring national actors were in the driver's seat. They appreciated the programme's high quality and cultural sensitivity in adapting FGM/C interventions to local cultures while grounding them in a human rights based approach. They were pleased with the progress made during phase one of the joint programme, and encouraged UNFPA to continue to

play a central role in phase two. They stressed, however, that UNFPA should take steps to address the joint programme's weaknesses identified in the evaluation.

95. Board members commended UNFPA for its commitment to partnerships within and outside the United Nations, and encouraged the Fund to consider opportunities for greater coordination with United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) in the joint programme. They requested additional information on the potential benefits that UN-Women could bring to such joint efforts.

96. On joint programme elements, delegations underscored the need for a robust evidence-based results and resources framework backed by SMART indicators, baselines and targets, to ensure effective monitoring and reporting. They looked forward to seeing the final results framework by June 2014, and urged UNFPA to identify and address key data gaps to benefit future interventions, and requested details on the extent to which objectives were reached and which approaches worked best.

97. There was a suggestion to develop common inter-agency guidance for members of the various Boards involved in reviewing joint programmers on how best to conduct future discussions on joint evaluations.

98. In response, the Deputy Executive Director (Programme), UNFPA, affirmed the Fund's commitment to coordinating with United Nations system partners, including UN-Women and the World Health Organization, with which UNFPA was engaged in developing clinical guidelines on FGM/C programming. She pointed out that UN-Women had not been established as a separate United Nations entity at the time UNICEF and UNFPA had developed the joint programme. She noted that UNICEF and UNFPA were negotiating with UN-Women to bring it fully on board with the joint FGM/C joint programme, especially on gender-based violence.

99. She thanked the donors supporting the multi-year funding framework through financial contributions to phase two of the joint programme, and encouraged others, in a position to do so, to consider additional contributions. She concurred that, although strong, the results monitoring framework needed improvements, progress on which UNFPA would report to the Board at the annual session 2014. Similarly, she noted that the two organizations had integrated the issue of social norms into the monitoring and evaluation framework of phase two. The purpose was to use data analysis to create better, more targeted indicators gauging how interventions had worked in modifying social norms that supported FGM/C, and thereby more closely link interventions with sustainable behavioural change. In conclusion, she highlighted the importance of a regional, cross-border approach to FGM/C, adopted in phase two.

100. The Director, Evaluation Office, UNFPA, noted that the building blocks were in place to transform the evaluation function, and the Evaluation Office was moving into the operational phase, which was a change management exercise. She concurred with Board members' assessment of future challenges to resources, capacity, strategic focus and evolution of evaluation, and affirmed the Fund's commitment to professionalizing the evaluation function. She noted concerns about the timing of corporate-level evaluations and their feeding into the mid-term review; UNFPA would be better able to update the Board on the issue of timing following the scheduled scoping phase of those evaluations in 2014. On evaluation capacity, UNFPA was engaged in leveraging national-level partnerships when conducting country programme evaluations, which offered a window into the quality of national capacities with which the Fund worked regularly. She emphasized the central importance of gender and human rights in UNFPA evaluation work, and assured the Board that UNFPA would explore options for conducting impact evaluations in future, bearing in mind the need to fully implement the new evaluation plan.

101. The Executive Board adopted decision 2014/5: UNFPA transitional biennial budgeted evaluation plan, 2014-2015.

102. The Executive Board took note of the joint evaluation report on the UNFPA-UNICEF joint programme on female genital mutilation/cutting: accelerating change.

VII. Country programmes and related matters

103. The Deputy Executive Director (Programme), UNFPA, presented the report: modification to procedures for consideration and approval of UNFPA country programme documentation (DP/FPA/2014/3).

104. Board members appreciated the initiative to harmonize the relevant organizations' country programme documents (CPD) and to simplify their approval process. They commended the organizations for pursuing simplification and harmonization of programming instruments in an effort to improve country programme cooperation, in line with the quadrennial review.

105. In the spirit of coherence, however, the Board would have preferred to see a joint proposal taken up during the agenda's joint segment. Stressing the need for Board consultations in a timely manner, they noted that, with the completion of the Delivering-as-One pilot period, the Board could not address approval of joint country programmes on an ad hoc basis, and would have preferred the report address that issue and propose a solution. Similarly, while recognizing that CPD coordination took place at country level, they stressed that the Board had to be fully involved in the joint process, and that its role more clearly defined.

106. In reviewing the proposed country programme format and content, Board members suggested the following elements, underscoring the need to change the CPD format to facilitate the approval process: (a) an indicative budget, specifying how core and non-core resources would be used; (b) an integrated results and resources framework; (c) information on how results and resources frameworks were related to those in the UNDAF and to national priorities; and (d) a costed monitoring and evaluation plan.

107. In addition, delegations emphasized that, given the move toward harmonization, resident coordinators and United Nations country teams had to be more engaged in CPD development and approval process, and they suggested using joint work plans and building on lessons and experiences of Delivering-as-One countries. On CPD accountability, the Board stressed the importance of establishing a clear accountability chain (from senior management to programme officers), which should be used for performance appraisals. They highlighted the importance of aligning country programme documents with organizations' strategic plans, national priorities and principles of the quadrennial review.

108. In response, the Deputy Executive Director (Programme), UNFPA, assured Board members that UNFPA would work closely with them to refine the country programme harmonization and approval process. She noted that the organizations had opted to await the outcome and evolution of country-level application of the standard operating procedures before proposing deeper modifications to the CPD format. On transparency, she stressed that Board guidance and involvement in CPD development and approval was fully reflected in the report, and integrated in regional and country programmes. She assured Board members that UNFPA was making every effort to ensure that country programme documents were fully aligned with the Fund's new strategic plan, 2014-2017, and integrated budget. She underlined the genuine challenges coherence poses to United Nations organizations, and reiterated the Fund's commitment to working with UNDG partners to strengthen harmonization efforts.

109. Pursuant to decision 2006/36, the following two country programmes, discussed earlier at the second regular session 2013, were approved by the Executive Board on a no-objection basis, without presentation or discussion: Namibia from the East and Southern Africa region; and Mexico from the Latin America and the Caribbean region.

110. The Executive Board adopted decision 2014/7 modifications to procedures for considering and approving UNDP and UNFPA country programme documentation.

UNOPS segment

Statement by the Executive Director

111. In his final address to the Board, the Executive Director, UNOPS, reflected on the journey UNOPS had taken during his tenure as Executive Director. He thanked Board members for seeing UNOPS potential, adopting key decisions and providing guidance and unwavering support that allowed the organization to turn around and achieve success.

112. When the Executive Director took office, UNOPS was faced with serious financial management challenges, poor staff morale, and weak credibility. In time, however, UNOPS had proven its business model could work, and become a United Nations reform model, thanks to high efficiency, transparency and accountability. Since the biennium 2006-2007, UNOPS had received an unqualified audit statement, and in 2012 had successfully transitioned to International Public Sector Accounting Standards with an unqualified certified financial statement.

113. Those changes had given UNOPS the foundations to deliver the services and results to those most in need, through, most notably, its ability to work *within* government to build national capacities, often in the difficult environments. UNOPS had met the highest international best practice standards and principles of sustainability, while remaining engaged with United Nations partners and adhering to its quadrennial review mandate. However, as challenges remained, UNOPS remained vigilant, and, as a self-financing entity, it exercised financial prudence, buttressed by a governance structure focused on accountability. The Board relationship with UNOPS had strengthened over the years, as evidenced in key legislation and the decision to incorporate its name in the Board's own title.

114. UNOPS, he noted, had one of the highest staff morale levels of all United Nations organizations, focused on building skills and motivation by investing in training, development and learning, while streamlining recruitment processes. Transparency was a top concern, and UNOPS was the first United Nations organization to join the International Aid Transparency Initiative, making it more attractive for business with the outside world. On United Nations reform, UNOPS would have liked to see greater progress. Finally, he touched on UNOPS delivery in 2013 and implementation of the strategic plan, 2014-2017.

115. Board members commended the Executive Director for his leadership in building a professional team, regaining UNOPS financial credibility, and making it an overall success. They drew attention to UNOPS successful business model, focused on efficiency, effectiveness, transparency and accountability, which was a model for the entire United Nations system. They noted UNOPS efforts and achievements in benchmarking its work against international standards, supporting Delivering-as-One, pursuing excellent procurement and environmental management practices, raising staff morale to high levels, and binding lasting partnerships with entities both within and outside the United Nations.

116. In response, the Executive Director, UNOPS, expressed confidence in UNOPS future, and urged Board members to continue to guide and support the organization's positive trajectory and successful fulfilment of its unique mandate.

117. The Executive Board adopted decision 2014/6: Expression of appreciation to Mr. Jan Mattsson, Executive Director of UNOPS, 2006-2014.

Joint segment

VIII. Recommendations of the Board of Auditors

118. The Director, Bureau of Management, UNDP, introduced the report of UNDP on the status of the implementation of the recommendations of the Board of Auditors for 2012 (DP/2014/7 and annexes). The Deputy Executive Director (Management), UNFPA, introduced the UNFPA report on the follow-up to the report of the United Nations Board of Auditors for 2012: status of implementation (DP/FPA/2014/1 and annex). The Deputy Executive Director, UNOPS, introduced the report of UNOPS on the status of the implementation of the recommendations of the Board of Auditors for 2012 (DP/OPS/2014/1).

119. Board members welcomed the unqualified audit opinions for the three organizations, and progress each made in implementing Board of Auditors recommendations. They commended each organization for successful implementation of International Public Sector Accounting Standards (IPSAS), and recognized the immense challenges the undertaking, as well as the benefits of better financial management, control and transparency. The Board looked forward to working with the organizations to meet those challenges.

120. Delegations welcomed the introduction of integrated budgets, and supported the request of the Advisory Committee on Administrative and Budgetary Questions to include information on human resources, in particular the impact of multi-funded positions, resource envelope, finance and procurement, at the second regular session 2014. They urged UNDP and UNFPA to continue to strengthen internal controls and improve oversight and monitoring of country offices, including timely implementation of outstanding recommendations of the United Nations Board of Auditors, and to continue to ensure compliance with policies and procedures for procurement, inventory tracking and bank reconciliation.

UNDP

121. Board members welcomed the organization's unqualified audit opinion for 2012, for the third consecutive biennia, including during its first year of IPSAS roll out. They appreciated UNDP efforts to maintain its audit functions, despite declining resources, and urged UNDP to continue to provide necessary resources, noting the resource-constrained environment. They were pleased to note UNDP progress in addressing its top nine audit-related priorities, and welcomed efforts to improve programme and project design, monitoring and evaluation, procurement and asset management.

122. Noting the estimated increase in liabilities for after-service health insurance, the Board welcomed the UNDP funding plan, which would help balance funding for both programme and liabilities for the long-term financial sustainability of the organization. They encouraged UNDP to take steps to continue to reduce the number of outstanding audit recommendations, especially regarding bank reconciliation processes. There remained some concern about management of procurement related risks, in particular reducing allegations of fraud. There was an interest in e-tendering implementation as a tool to promote transparency and strengthen document trails.

UNFPA

123. Board members commended UNFPA for its unqualified audit opinion in 2012, and were encouraged to note progress in the high number of recommendations being implemented, as well as the overall reduction in the number of recommendations made. They were pleased that the UNFPA Division for Oversight Services had reached full capacity, and urged the Fund to strengthen that capacity so that it could effectively fulfil its audit function.

124. Delegations commended UNFPA for its successful implementation of IPSAS in 2012 and encouraged the Fund to address the remaining challenges to fully benefit from IPSAS opportunities, including improved internal control systems, strengthened decision-making, and more efficient financial processes.

125. Noting the importance of proper liability management, some delegations expressed concern with unfunded employee benefit liabilities, while recognizing the intention of UNFPA to fully fund those liabilities by 2017. The Board would monitor the results of the UNFPA plan to address the funding gap, and looked forward to the results of the annual examination of the funding mechanism.

126. Board members stressed the importance of efficiency and harmonization of business operations within the United Nations system, and looked forward to the results of HACT implementation in the 12 pilot countries, especially whether the HACT approach had met its intended goals and led to more effective assessment of and cooperation with implementing partners. They urged UNDP and UNFPA to fully engage in the HACT review process.

127. In response, the Deputy Director and Chief Finance Officer, Bureau of Management, UNDP, specified that liability for unfunded after-service health insurance related to past periods. He noted that UNDP had agreed to a 15 year funding plan, but would conduct an independent liability study to specify what the funding period should be. UNDP would share the results of that study with other United Nations organizations. On national implementation, the main UNDP modality, delayed reporting was due to some partners' qualified audit opinions, which represented approximately 1 per cent of national implementation audit opinions. That said, UNDP was committed to bringing the number of qualified audit opinions to zero. He assured the Board that UNDP was taking every step to address the remaining five outstanding audit recommendations.

128. The Deputy Executive Director (Management), UNFPA, underscored that, of the 11 outstanding audit recommendations, UNFPA would complete nine by end 2014. She assured Board members that UNFPA was committed to resolving issues related to after-service health insurance and HACT. In conclusion, she noted that, thanks to a recent grant, UNFPA would be revamping its entire inventory management system with the most modern technology available.

129. The Deputy Executive Director, UNOPS, addressed three issues. On after-service health insurance and end-of-service liabilities, he pointed out that UNOPS was fully funded. On the inter-fund, he noted that UNDP and UNOPS had reconciled the issue six years earlier; what remained to be done was finding a way to settle the old balance. The organizations had agreed in mid-2013 to engage an independent external panel to bring the issue to a close before finalizing 2013 financial statements. The panel was expected to issue its final ruling by the end of February 2014. On anti-fraud, highlighting the positive Board of Auditors appraisal of UNOPS anti-fraud policies as a United Nations best practice, he clarified that the Board of Auditors was actually concerned with the very low level of *confirmed* fraud, and asked UNOPS to monitor that issue closely. On the possibility of sharing anti-fraud best practices with the

United Nations system, he indicated that, as part of its growth and innovation facility, UNOPS was investing in anti-fraud mechanisms and training that it would share with its partners.

130. The Executive Board adopted decision 2014/8: Reports of UNDP, UNFPA and UNOPS on the status of implementation of the recommendations of the Board of Auditors for 2012.

XI. Field visits

131. The team leader of the field visit introduced the report on the Executive Board field visit to Tajikistan (DP-FPA/2014/CRP.1), highlighting the key findings and recommendations.

132. One delegation commended UNDP and the United Nations country team for the excellent preparations and coordination of the field visit, and for the excellent integration of the work of UNDP in the national development plan. The delegation was pleased with the excellent coordination with partners as well as with non-United Nations partners. UNDP was encouraged to conduct a study of the United Nations country team in Tajikistan in order to use it as a best practice.

133. The Executive Board took note of the report of the field visit of the Executive Board of UNDP, UNFPA and UNOPS to Tajikistan, 24 to 30 June 2013.